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Message Text

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61
ACTION EUR-12

INFO OCT-01 ISO-00 TRSE-00 EB-07 OMB-01 FRB-01 XMB-04

CEA-01 CIAE-00 INR-07 NSAE-00 /034 W
---------- 083722
R 311811Z OCT 75
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4028

UNCLAS BONN 17883

DEPARTMENT PASS TREASURY

E.O. 11652: N/A
TAGS: EFIN, GW
SUBJECT: BOND MARKET DEVELOPMENTS SUBSEQUENT TO
BUNDESBANK DECISION TO REDUCE ITS SUPPORT
PURCHASES

1. AS THE TABLE BELOW SHOWS, THE INCREASE IN YIELDS OF FEDERAL BONDS SUBSEQUENT TO THE BUNDESBANK'S CESSATION OF SUPPORT PURCHASES TO SUPPORT THE INTEREST RATE FAILED TO MATERIALIZE. THE VOLUME OF SALES DURING THESE DAYS PROBABLY WAS RATHER LOW, HOWEVER, DUE TO ANTICIPITORY SALES (DM 900 MILLION ON OCTOBER 21 AND 22) PRIOR TO THE BUNDESBANK'S DECISION. THE FINANCIAL PRESS SPECULATES THAT SHOULD THE FEDERAL GOVERNMENT ATTEMPT TO PLACE A SIZEABLE BOND ISSUE NOW RATES WOULD NOT BE MAINTAINABLE.

	OCTOBER		
REMAINING MATURITY	22ND	29TH	30TH
15 MONTHS	5.96	6.13	6.04
21 MONTHS	6.27	6.47	6.37
4-1/2 YEARS	7.64	8.00	8.00

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4-3/4 YEARS	7.78	8.13	8.10

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5 YEARS	7.80	8.15	8.12
7-1/4 YEARS	8.19	8.57	8.44
7-1/2 YEARS	8.35	8.70	8.65
9-1/4 YEARS	8.51	8.82	8.73

HILLENBRAND

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL BANK, POLICIES, GOVERNMENT BONDS, INTEREST RATES, FINANCIAL DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 31 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN17883
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t1975103/aaaaabxw.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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To: STATE
Type: TE
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